

# Memorandum

To: Panel Members Date: December 13, 2001

From: Charles Rufo, Manager  
Peter DeMauro, General Counsel Analyst: R. Hernandez

Subject: One-Step Agreement for **Tenaya Lodge at Yosemite**  
www.tenayalodge.com

## CONTRACTOR:

- Training Project Profile: Retraining: companies w/out-of-state competition
- Legislative Priorities: Moving to a High Performance Workplace
- Type of Industry: Services
- Repeat Contractor: No
- Contractor's Full Time Employees:
  - Company Wide: 25,997
  - In California: 1,178
- Fringe Benefits: Yes
- Union Representation: No
- Name and Local Number of Union representing workers to be Trained: N/A

## CONTRACT:

- Program Costs: \$143,000
- Substantial Contribution: \$0
- Total ETP Funding: \$143,000
- In-Kind Contribution: \$200,000
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Mariposa, Madera, and Fresno
- Duration of Agreement: 24 Months

**SUBCONTRACTORS:**

National Training Company, Nicasio, California – Administration - \$18,000

National Training Company, Nicasio, California – Training - \$10,000

**THIRD PARTY SERVICES:**

National Training Company assisted with the development and application process for a flat fee of \$7,500.

**NARRATIVE:**

This project is seeking funds under Title 22 California Code of Regulations, Section 4416(d)(3) for the destination resort related services on behalf of its customers from both inside and outside of California.

Tenaya Lodge at Yosemite was built in 1990 and is owned by the parent company, Delaware North Company, of Buffalo, New York. Delaware North Company has 25,997 employees world wide and 1,178 in California. This destination resort, Tenaya Lodge, attracts local, national, and international transient guests as well as business groups. Currently, there are 165 individuals employed at Tenaya Lodge which is located two miles from the south gate entrance to Yosemite National Park.

Staying competitive in the resort business has been the major focus of Tenaya's sales and marketing departments. Hotels and resorts from all over the country are in direct competition with Tenaya for both transient and group business. Although out-of-state tourism is down 35 percent and many resorts in the hospitality industry have had to lay employees off, Tenaya Lodge has been able to maintain its staff. However, officials realize that to retain its current workforce, maintain a competitive edge, and attract more out-of-state clients, it needs to transition its resort into a high performance workplace.

The structure of the working environment at Tenaya has remained the same for numerous years--management has made the decisions and solved the problems. To transform to a high performance workplace, the working environment must change. Managers must upgrade their leadership, motivation, and communication skills in order to delegate responsibility for problem solving and decision-making, improve performance, and provide leadership. Frontline workers must learn to solve problems and work in teams to ensure guests receive quality service. Food and beverage staff must be retrained in quality improvement, communication, customer service, and problem solving skills to provide quality service to the customers. Housekeeping staff must be trained in communication and problem solving skills to enable them to directly interact with guests and solve problems.

To stay competitive, Tenaya must also upgrade its hardware and software systems. These new systems include Springer Miller for the front desk reservations, a new credit card system for the restaurant, and PeopleSoft for accounting and human resources. Upgrading its technology will ensure efficient and effective customer service.

This program will retrain 150 current employees. JOB #1, consisting of 50 managers and supervisors, will receive 100 classroom/laboratory training hours in Continuous Improvement, Business Skills, Computer Skills, and Management Skills. JOB #2, consisting of 100 frontline workers, will receive 60 hours of classroom/laboratory training in Continuous Improvement, Business Skills, and Computer Skills. In-house instructors and National Training Company will provide training. National Training Company will conduct the project administration.

**NARRATIVE: (continued)**

**Supplemental Nature of Training**

Currently, Tenaya Lodge provides new employee orientation and required OSHA training. In the past, supervisors have received basic supervisory training such as basic interviewing and hiring skills. The supervisor/management training to be provided in this program will focus on high performance workplace skills such as delegation, motivation, leadership, and communication skills and has not been provided in the past. Tenaya Lodge expects to continue training after the completion of the ETP training. Tenaya will provide this training on an ongoing basis to all new employees and any employees not included in this project.

**In-Kind Contribution**

Tenaya Lodge will provide an in-kind contribution of approximately \$200,000 in trainee wages during training.

**COMMENTS:**

Tenaya Lodge requests an early start date of training, December 14, 2001. The winter months, December through April, are Tenaya's lowest occupancy months, which is the best time for training employees. During the peak season, May through October, it is impossible to conduct training on a consistent basis.

**PROPOSED ACTION:**

Staff recommends that the Panel approve this One-Step Agreement if funding is available and the project meets Panel priorities. The company states that this training will provide the skills needed to transition to a high performance workplace and provide the quality service and customer satisfaction needed to remain competitive in the hospitality industry.

**TRAINING PLAN:**

Group/ Trainee Type	Types of Training	No. to be Retained	No. Class / Lab Hrs.	No. SOST Hours	Cost Per Trainee	Hourly Wage after 90 days
1, 2 Retrainee	Continuous Improvement Business Skills Computer Skills Management Skills	150	60 - 100	0	\$780 - \$1,300	*\$10.58 - \$35.00
<b>Health Benefits used to meet ETP minimum wage:</b> *Health Benefits of at least \$1.00 per hour (medical, dental, and vision) may be added to the trainee's wages in Job 2 to meet the ETP minimum hourly rate of \$10.58 per hour for Mariposa, Madera, and Fresno County. In addition, the Bell person, Servers, Busers, and Bartenders in Job 2 may receive tips in addition to their base wage and health benefits in order to meet the ETP minimum hourly wage of \$10.58.			<b>Range of Hourly Wages:</b> \$10.58 - \$35.00			
			<b>Prevalent Hourly Wage:</b> \$10.58			
			<b>Average Cost Per Trainee:</b> \$948			
			<b>Turnover Rate:</b> 8%		<b>% of Managers &amp; Supervisors to be trained:</b> N/A	

Training Data									Payment Schedule				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Job	Occupations	Type of Training	No. Retain	Cls/Lab Video-conf. Hours	CBT Hours	SOST Hours	Cost Per Trainee	Total SOST Trainer Hrs.	Hrs. to Enroll/Pay 1 Enroll	Pay 2 Compl	Pay 3 Hired	Pay 4 After 90 Days	Wage After Retention
1	Managers, Supervisors	Direct-Employer Retrainee	50	100			\$1,300		8	\$325.00	\$650.00	\$325.00	\$12.00 - \$35.00
687		Menu Curriculum - Trainees will receive one or more of the following: Continuous Improvement Business Skills Computer Skills Management Skills		100									
2	Supervisors, Bellperson, PBX Operator, Front Desk Agent, Agent, Clerks, Housekeeper, Laundry Staff, Servers, Busers, Bartenders, Engineers, Line Cooks, Pantry Workers, Utility Staff, Assistants	Direct-Employer Retrainee	100	60			\$780		8	\$195.00	\$390.00	\$195.00	*\$10.58 - \$22.00
687		Menu Curriculum - Trainees will receive one or more of the following: Continuous Improvement Business Skills Computer Skills		60									

**Contract Totals**

<b>Program Cost</b>		\$143,000	<b>Total to be Retained</b>	150
<b>Substantial Contribution</b>	(-)	\$0		
<b>Multiple-Empl. Support</b>	(+)	\$0		
<b>TOTAL ETP Funding</b>	(=)	\$143,000		

Turnover Rate	% of Mgrs. & Sups. to be trained	Health Benefits Inc. in Wage?
8.0	33.0	Yes

Location of Training: All training will be held on company premises in Fish Camp, California during work hours.

Ratios: The ratio of trainers to trainees for class/lab training shall not exceed 1:20 for retrainees.

\* If Health Benefits is YES, please explain: Health Benefits (medical, dental, and vision) of at least \$1.00 per hour may be added to the trainee's wages in Job 2 to meet the ETP minimum hourly rate of \$10.58 per hour for Mariposa, Madera, and Fresno County. In addition, the Bellperson, Servers, Busers, and Bartenders in Job 2 may receive tips in addition to their base wage and health benefits in order to meet the ETP minimum hourly wage of \$10.58.

Other notes: N/A